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021520Z Nov 05

UNCLAS SECTION 01 OF 02 GUATEMALA 002495

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DEPT PASS USTR

E.O. 12958: N/A

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SUBJECT: Visit of Secretary of Commerce to Guatemala

11. Summary: Secretary of Commerce Carlos Gutierrez visited Guatemala from October 16-18, 2005, leading a business delegation of 19 U.S. companies as well as an interagency group with top officials from OPIC, USTDA, EXIM, IDB/Treasury, SBA and the Millennium Challenge Corporation (MCC). The Secretary's CAFTA Business Development Mission also traveled

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to San Pedro Sula, Honduras, and San Salvador, El Salvador. The Secretary had a wide range of meetings and activities in Guatemala focused on CAFTA, trade and investment and other key U.S. objectives in Central America. End Summary

HURRICANE STAN

12. The Secretary's started his program with a visit to CONRED, Guatemala's equivalent of FEMA. He expressed his sympathy on behalf of the USG for the ravages of Hurricane Stan, which had left over 500 dead. He announced an additional \$2 million in funding of food aid via USAID and the World Food Program of the UN.

CCAA CONFERENCE

13. On October 17, the Secretary gave the keynote address to a one-day conference on CAFTA implementation organized by Caribbean-Central American Action (CCAA), which also featured President Berger, and top ministers and businessmen from around the region and the Dominican Republic. During his speech - and throughout his visit - the Secretary stressed the need for countries to comply with CAFTA commitments so that the President can certify to Congress that the signatories have met all the legislative and administrative requirements and CAFTA can be implemented by January 1. He also emphasized the importance of the private sector in future development, the need to improve the investment climate by upgrading legal frameworks and protecting intellectual property, and the benefits of increased linkages between Central America and the United States.

MEDIA COVERAGE

14. The Secretary conducted a joint press conference to launch the mission, along with Minister of Economy Marcio Cuevas, which included U.S. company representatives and interagency officials. The media gave the Secretary comprehensive and very positive coverage throughout the three-day visit.

BILATERAL AND MULTILATERAL MEETINGS

15. The Secretary held bilateral meetings with President Berger and Economic Minister Cuevas, both of which included other top ministers and officials. In these meetings he once again stressed the need to focus on CAFTA implementation, asking his interlocutors to make a final effort to allow President Bush to certify CAFTA as ready to go. He stressed that Congress would be scrutinizing the Agreement and implementation process closely. The Secretary also hosted a productive meeting and lunch with Central American and DR trade ministers, as well as a roundtable with top regional CEOs.

SITE VISITS

16. Secretary Gutierrez made site visits to successful U.S. companies, including Frito Lay and San Diego-based PriceSmart, as well as a major local textile plant exporting to the U.S. (Koramsa). Exploring Guatemala's key agricultural sector, he visited a coffee farm near historic Antigua, where he heard presentations from the national coffee association (Anacafe), non-traditional exporters association (Agexpront), and tourism promotion agency (Inguat). While in Antigua, he spoke at an ongoing IPR enforcement training seminar for Central American judges and prosecutors hosted by Commerce's Patent and Trademark Office.

AMCHAM AND U.S. BUSINESS EVENTS

17. The Secretary opened an American Chamber trade finance seminar with SBA, EXIM, USTDA and OPIC with a keynote address, and later hosted a roundtable with the heads of U.S. firms

represented in Guatemala. In this meeting, he heard at length about both the difficulties and opportunities for U.S. firms in Guatemala.

TRADE MISSION RESULTS

18. Over the course of the Guatemala visit, the 19 companies and organizations represented on the mission met with 148 Guatemalan companies and government officials, as well as attending several large events where they were could network. The companies indicated that they saw significant opportunities, and most expected some commercial success to come from their visit. Many of the business delegation members expressed their desire to continue to work in the region and look for ways to maintain the momentum that passage of CAFTA-DR provided for both U.S. and Central American businesses.

19. This cable was cleared by the Department of Commerce.

Derham